

Message

From: Vranka, Joe [vranka.joe@epa.gov]
Sent: 7/26/2017 4:15:48 PM
To: Buhl, Rick [Buhl.Rick@epa.gov]; Hageman, James [hageman.james@epa.gov]
CC: Smidinger, Betsy [Smidinger.Betsy@epa.gov]; Stavnes, Sandra [Stavnes.Sandra@epa.gov]; Murray, Bill [Murray.Bill@epa.gov]; Quick, Danette [Quick.Danette@epa.gov]; Leclerc, Russell [Leclerc.Russell@epa.gov]; Mills, Bethany [Mills.Bethany@epa.gov]; Kortuem, Patrice [Kortuem.Patrice@epa.gov]; Coleman, Charles [COleman.Charles@epa.gov]
Subject: RE: Anaconda Smelter - SRO Signature on Decision Memorandum
Attachments: Amendment 17 to AOC CERCLA-VIII-88-16.pdf; Anaconda.FY2017 SOW 20170122.docx; AnacondaRWWS_USGS_InteragencyAgreement20170726.pdf

Hi, Rick and Jim:

I am responding to Rick's June 13, 2017 email below with questions about whether USGS is the most cost effective way to get this work performed. I have attached Amendment 17 to the Anaconda Administrative Order on Consent wherein the Atlantic Richfield Company agrees to pay EPA specifically for USGS surface water monitoring. Because of the long-term monitoring performed by USGS throughout the Clark Fork River Basin, they are uniquely qualified to continue to provide these services. The USGS maintains gauging stations for measuring flow data as well as cable structures for enabling cross-sectional sampling in varying flow regimes for consistent, comparable, and accurate data. Utilizing a contractor or different contractors for each sampling event or for each year would not provide the same level of consistency of data. For this reason, the Atlantic Richfield Company agreed specifically to pay for USGS sampling (see paragraph 1 of Amendment 17). I have also attached the USGS scope of work for your review.

I have not yet done a comparison of indirect rates to compare rates for USEPA, USGS, USBoR, USFWS, and CDM Smith. While that might be a useful exercise, selecting a different procurement mechanism for this particular effort would be contrary to the amendment to the consent order and the payment made by the Atlantic Richfield Company. I would be happy to discuss these issues further if we can find a time when everyone is available.

We use contracts, cooperative agreements, and interagency agreements to conduct work at Superfund sites – often a combination of those approaches. At the Anaconda Smelter site, for instance, we utilize:

- CDM Smith as a Superfund Response Action Contractor for Region 8 for oversight of potentially responsible party implementation of remedial design and remedial action, including document review, field oversight, construction oversight, and some limited government remedial design and remedial action;
- the U.S. Geological Survey for surface water and sediment monitoring;
- the U.S. Bureau of Reclamation for construction oversight;
- the U.S. Fish and Wildlife Service for technical assistance with biological evaluations;
- the State of Montana for management assistance; and
- Anaconda Deer Lodge County for technical assistance.

Since this is a mega-site where remedy costs have exceeded \$300 million, our contractual support for oversight is significant. Our contracts, cooperative agreements, and interagency agreements have all run for multiple years and are each well over \$1 million.

Please let me know if you have any questions or if you require additional information, and let me know if you would like to meet to discuss these issues in greater detail.

Thank you,

Joe

From: Smidinger, Betsy
Sent: Wednesday, June 14, 2017 12:40 PM

To: Murray, Bill <Murray.Bill@epa.gov>; Vranka, Joe <vranka.joe@epa.gov>

Cc: Stavnes, Sandra <Stavnes.Sandra@epa.gov>

Subject: Fwd: Anaconda Smelter - SRO Signature on Decision Memorandum

Hi Bill and Joe - I need your help in understanding these indirect costs. If this is an easy explanation that can be done through emails, that is fine; otherwise please ask Noah to set up a meeting. Thanks

Sent from my iPhone

Betsy Smidinger
ARA, Ecosystems Protection and Remediation
Region 8, US EPA
Denver, CO
(303) 312-6231 (o)
(303) 335-7627 (c)

Begin forwarded message:

From: "Buhl, Rick" <Buhl.Rick@epa.gov>

Date: June 13, 2017 at 4:54:52 PM MDT

To: "Smidinger, Betsy" <Smidinger.Betsy@epa.gov>

Cc: "Hageman, James" <hageman.james@epa.gov>, "Vranka, Joe" <vranka.joe@epa.gov>, "Leclerc, Russell" <Leclerc.Russell@epa.gov>, "Coleman, Charles" <Coleman.Charles@epa.gov>, "Quick, Danette" <Quick.Danette@epa.gov>, "Mills, Bethany" <Mills.Bethany@epa.gov>, "Stavnes, Sandra" <Stavnes.Sandra@epa.gov>, "Kortuem, Patrice" <Kortuem.Patrice@epa.gov>

Subject: RE: Anaconda Smelter - SRO Signature on Decision Memorandum

Betsy,

Danette Quick copied me on the upcoming request for SRO signature on the Anaconda Smelter IA. I have not reviewed all of the information Danette sent yet, but a cursory review shows that for this IA, the indirect costs are 34% of the total (\$174K of \$507K). This is a very high indirect rate. Notwithstanding the fact that USGS has been doing this work for an extended period of time, the SRO signature is a certification that this is a cost effective way to do this work. I am looking to the ARAs to document why this high of an indirect rate is reasonable (market research that shows a comparable contractor performing the service, or a grant to a state, etc would be higher overall cost (the goal is not just to reduce the indirect rate, but the overall cost)). As a comparison, in other IAs, I see overhead/indirect rates that are below 10%.

The other Anaconda IA I signed last year is for BOR, and my recollection is that was closer to 50% indirect/overhead rate. I am attaching the email I sent to Martin, et al on the BOR IA. If the indirect rate is still as high as last year, I will be looking for a similar justification that it represents the best value to the government based on some kind of market research.

When I receive an IA (or grant) for SRO signature we are usually pretty far down the road and the work needs to get done. This makes it very difficult for the program to change directions or even get me any additional information. We are working on fixing this process for grants, and still need to do this for IAs although that is difficult because we lost our IA processing staff to consolidation. In the interim, I am relying on each ARAs to not just conduct business as usual, but to look at IAs (and grants as applicable) to ensure that they are the most effective approach to getting the work done.

Please let me know if you would like to discuss further.

Thanks.

Rick

Rick Buhl

Assistant Regional Administrator, Office of Technical and Management Services

USEPA Region 8 | 1595 Wynkoop St (8TMS-IO) | Denver, CO 80202-1129

Office: (303) 312-6920

Need a Meeting? Contact Sifa M. Kajiru-Edwards at 303-312-6017

From: Quick, Danette

Sent: Tuesday, June 13, 2017 7:43 AM

To: Mills, Bethany <Mills.Bethany@epa.gov>

Cc: Buhl, Rick <Buhl.Rick@epa.gov>; Hageman, James <hageman.james@epa.gov>; Vranka, Joe <vranka.joe@epa.gov>; Leclerc, Russell <Leclerc.Russell@epa.gov>; Coleman, Charles <COleman.Charles@epa.gov>

Subject: Anaconda Smelter - SRO Signature on Decision Memorandum

Hi Bethany,

Charlie Coleman is working on a Decision Memorandum to increase Interagency Agreement DW-14-92388901 and it will require SRO signature because it is over \$1 million cumulatively. Last year you requested the SOW for review before the DM was sent to Rick for signature. Since I'm not sure if the process has changed or not, I have attached the SOW, Amendment 17 to the AOC and documentation of payment received to give you some background information on why this Interagency Agreement is in place. The Responsible Party cannot fund USGS directly, who has been performing surface water monitoring in the Clark Fork Basin for years, which includes Anaconda.

The DM will be routed as soon as the commitment notice is final.

Please contact me if you have any questions or if the process has changed.

Thank you,

Danette

Danette Quick

EPA, Montana Office

10 West 15th Street, Suite 3200

Helena, MT 59626

PH: (406)457-5010

FAX: (406)457-5056

EMAIL: quick.danette@epa.gov

From: Buhl, Rick

Sent: Thursday, April 21, 2016 4:59 PM

To: Hestmark, Martin <Hestmark.Martin@epa.gov>

Cc: Mills, Bethany <Mills.Bethany@epa.gov>; Vallejos, Cinna <vallejos.cinna@epa.gov>; Kortuem, Patrice <Kortuem.Patrice@epa.gov>; Stavnes, Sandra <Stavnes.Sandra@epa.gov>

Subject: IA for BOR Anaconda

Martin,

This afternoon I signed the IA for BOR's work at the Anaconda site. The IA is for \$518,089 for 22 months although it is being incrementally funded for \$250K on this amendment.

After reviewing the IA, I have concerns about the cost of this IA given the scope of work, including direct and indirect costs. Given the programs urgent need to continue this work I have approved this increment of funding/work. I ask that before the program submits an additional amendment in the future they explore other options which may be more cost effective than this arrangement. Bethany Mills and her staff can work with your program staff to explore other more cost effective options. If there is no option which is more cost effective, I ask that the analysis be documented by the program staff prior to requesting an additional amendment.

Let me know if you want to discuss further.

Thanks.

Rick

Rick Buhl

Assistant Regional Administrator, Office of Technical and Management Services

USEPA Region 8 | 1595 Wynkoop St (8TMS-IO) | Denver, CO 80202-1129

Office: (303) 312-6920

Need a Meeting? Contact Missy Haniewicz at 303-312-7059